

**INDIANA HOUSING AND COMMUNITY
DEVELOPMENT AUTHORITY**

REQUEST FOR PROPOSALS

for

**INDEPENDENT AUDIT OF ANNUAL AUTHORITY FINANCIAL
STATEMENTS, SINGLE AUDIT OF FEDERAL GRANT AWARDS,
AND ANNUAL FINANCIAL STATEMENTS OF RELATED
ENTITIES**

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
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INDIANAPOLIS, IN 46204
317-232-7777**

**ISSUE DATE:
RESPONSE DEADLINE: August 1, 2013, 5:00 PM**

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PART 1 SCOPE OF THIS REQUEST

1.1 PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The Indiana Housing and Community Development Authority (IHCDA) is soliciting proposals for the general audit of its Statement of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; Statements of Cash Flows; along with the Schedule of Expenditures of Federal Awards required by the Single Audit Act for the year ending December 31, 2013. In addition, proposals should include the preparation of the Supplemental Information/Financial Data Schedule and Audit opinion (or SAS 119 Agreed upon Procedure) in compliance with the rules for the Section 8 Housing Choice Voucher program as well as the approval of the electronic submission of the audit through the HUD FASS-PH system.

1.2 FORMAT FOR SUBMISSION, MAILING INSTRUCTIONS, AND DUE DATE

Proposals must be submitted in complete original form by e-mail to Blake Blanch (bblanch@ihcda.in.gov) by August 1, 2013 at 5:00PM EDT with "PROPOSAL-AUDIT" in the subject line.

Questions should be submitted in writing to Blake Blanch (bblanch@ihcda.in.gov) by 5:00 PM EDT on July 18th. Answers to questions will be posted on IHCDA's website (ihcda.in.gov) under IHCDA News Center, Public Notices by 3 PM EDT on July 22nd.

Proposals that do not contain all of the required forms/documents as listed in this RFP packet may be determined ineligible for further consideration.

PART 2 DESCRIPTION OF ENTITY AND RELEVANT AUDIT STANDARDS

2.1 GENERAL

The main entity to be audited is the Indiana Housing and Community Development Authority, a quasi-governmental agency, established to work with partners throughout the state to serve the housing needs of Hoosiers by maximizing public resources and promoting sustainable communities in Indiana. IHCDA's resources include private activity bonds for single-family and multi-family programs, federal Rental Housing Tax Credits, and a number of federally-funded grant and loan programs.

The annual IHCDA financial statement audit covered by this proposal shall include five (5) funds in total and individually. These funds include the General Fund, the Program Fund that consists of all of IHCDA's State and Federal programs, the Single Family Fund which has all of IHCDA Single Family bond issues prior to 2009, the Home First Fund which has nearly all of IHCDA's bond issues since 2009, and the MBS Pass-thru fund which houses a couple of pass-thru bond issues of IHCDA. IHCDA issues bonds periodically for which we would request a letter of consent to include the annual audit report in the preliminary and final Official Statements for each bond deal.

Per the last A-133, IHCDA administers eighteen (18) federally-funded grant programs including the following (for the full list, see the A-133 SEFA): the Section 8 Housing Assistance Payment Program, the HOME Investment Partnerships Program (HOME), the Community Development Block Grant (CDBG), the Housing Opportunities for Persons with AIDS (HOPWA) program, the Emergency Shelter Grant program (ESG), Shelter Plus Care, Low Income Housing Energy Assistance Program (LIHEAP), Weatherization, and Section 8 Housing Choice Voucher program. These programs fall under the requirements of the Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations". Although in prior years IHCDA has multiple ARRA programs, for 2013 the expectation is that only ARRA program that

will need to be audited is Weatherization Assistance for Low Income Persons as all other ARRA programs were closed out in 2012. Attached are both the Financial Statement and A-133 Audits of IHCD for the previous 3 years which should be used to help respondents determine which programs will need to be reviewed in the future and with the preparation of the fee quote

IHCDA also administers the Individual Development Account program and the Indiana Foreclosure Prevention Network, which use both State and Federal funds. In addition, IHCDA administers the Hardest Hit Fund, funds that IHCDA receives directly from the US Treasury to provide mortgage assistance for unemployed homeowners.

The audits must be conducted in accordance with applicable laws, regulations, and generally accepted auditing standards as included in:

1. "Statements of Auditing Standards" published by the American Institute of Certified Public Accountants.
2. "Standards for Audits of Governmental Organizations, Programs, Activities, and Functions" developed by the US Comptroller General.
3. The General Accounting Office (GAO) "Guidelines for Financial and Compliance Audits of Federally Assisted Programs."
4. Single Audit Act of 1984.

2.2 ORGANIZATION OF THE ACCOUNTING FUNCTION

All current accounting records are maintained in IHCDA's principal office with the exception of documents related to the administration of the federally funded Section 8 Housing Assistance Payments Program, which are maintained at IHCDA's contractor location at 10 West Market Street, Indianapolis, IN. The accounting department consists of the Director of Accounting, 3 staff accountants, and the Chief Financial Officer to which the department reports.

PART 3 INSTRUCTIONS FOR SUBMITTING A PROPOSAL

3.1 LETTER OF TRANSMITTAL

The letter of transmittal should be limited to no more than two pages and include:

1. A brief statement of the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
2. The all-inclusive fee for which the work will be done.
3. Names of the persons who will be authorized to make presentations for the proposer, their titles, addresses, and telephone numbers.

3.2 PROPOSAL COVER SHEET

All items on the Proposal Cover Sheet must be completed. Identify a liaison or primary contact person, as well as the signatory authority who is a person with legal authority to negotiate and sign a contract on behalf of the proposing organization. This person also must sign the various certification forms.

3.3 TABLE OF CONTENTS

Include a clear identification of the material by section and by page number.

3.4 PROPOSAL NARRATIVE INSTRUCTIONS

Provide a complete explanation to the following questions. There are no limitations placed on the length of your answers, but it is recommended that answers be concise. A proposal should provide a complete description of the services and systems in narrative form that demonstrates the proposer's capabilities will meet the RFP requirements.

A. Demonstrated Performance/Experience

1. Describe your organization's previous experience delivering the same or similar services as those IHCDAs requires.
2. Confirm that the proposers are certified public accountants presently engaged in the practice of public accountancy, either as a partnership or a corporation. Describe the size, structure, age, and major lines of work of your firm.
3. Identify the supervisors who will work on the audit and include estimates of percentages of time to be spent by audit personnel on-site and on overall audit. Resumes for each supervisory person and staff that will be assigned to the audit should be included. At a minimum, resumes should contain the person's name, educational background, and audit experience.
4. Include resume of firm's experience within the last five years in the auditing of Development Organizations, Corporation of Governments, Non-profit organizations and in the performance of the Single Audit Act of 1984 and provisions of OMB Circular A-133.
5. Provide an affirmative statement that all mandated continuing education credit requirements and peer review requirements have been met by the firm.
6. Submit references related to audit work performed for similar agencies or organizations.

B. Scheduled Design

Proposer should demonstrate knowledge of Governmental Accounting Standards, knowledge of mortgage lending industry, and federally funded grants when specifying services proposed, theory, format, method of delivery, and outcomes. Research and preparatory activity should be detailed. Follow-up activity, assessment, and quality control should be included.

C. Cost Reasonableness

Estimate the total hours, the estimated out-of-pocket costs, travel and the resulting all-inclusive maximum fee for services requested. Complete the budget form as requested. If approved for negotiations, the proposed budget will serve as a basis for a contract budget.

From time to time IHCDAs staff finds it necessary to consult with external auditors on a variety of issues, i.e. IRS regulations, special audit issues, etc. The proposal will include an outline of how this occasional consultation will be handled in regard to charges.

3.5 ADDITIONAL INFORMATION

Firms submitting proposals shall:

1. Be authorized to do business in the State of Indiana.
2. Have a favorable business reputation.
3. Have a sound financial condition.
4. Have the ability and capacity to service the audit program herein requested.
5. Assign as principal to the audit only a certified public accountant duly licensed by the State of Indiana.
6. Spend the necessary time to understand the extent and complexities of IHCDAs as it relates to rendering an opinion and preparing a final audit.

3.6 TIME CONSIDERATIONS AND REPORT REQUIREMENTS

We are requesting fieldwork to commence no later than March 10, 2014. The final reports for the IHCDCA audit should be issued no later than April 30, 2014 and draft reports should be available for review and approval at an audit committee to be conducted one week before the April 2014 IHCDCA Board Meeting. The IHCDCA Board meeting is typically scheduled on the last Thursday of the month.

The auditor should prepare eight (8) copies of the IHCDCA financial statements and A-133 report in addition to making available an electronic copy of the reports that can be posted in pdf format. The Supplemental Information/Financial Data Schedule and Audit Opinion thereon (or SAS119 Agreed upon procedures opinion) may be submitted in pdf format only and no hard copies required.

PART 4 PROPOSAL EVALUATION CRITERIA

Responsive proposals submitted by the deadline will be evaluated on audit coverage, technical experience, cost, and staff qualifications. IHCDCA reserves the right to award the contract to a firm other than the firm with the lowest bid.

PART 5 CONTRACTUAL ARRANGEMENTS

The contract to be awarded shall be for provisions of the audit services specified in this request and shall be for a period of one year; however, IHCDCA shall have the option of extending the contract for four 1-year renewals

The purpose of this RFP is to ensure uniform information in the solicitation of proposals and procurement of services. This RFP is not to be construed as a purchase agreement or contract or as a commitment of any kind; nor does it commit IHCDCA to pay for costs incurred prior to the execution of a formal contract unless such costs are specifically authorized in writing by IHCDCA.

IHCDCA reserves the right to correct any error(s) and/or make changes to this solicitation as it deems necessary. IHCDCA will provide notifications of such changes to all bidders recorded by IHCDCA as having received or requested an RFP.

IHCDCA reserves the right to negotiate the final terms of any and all contracts or agreements with bidders selected and any such terms negotiated as a result of this RFP may be re-negotiated and/or amended in order to successfully meet the needs of IHCDCA.

IHCDCA reserves the right to contact any individual or firm listed in a proposal, to contact others who may have experience and/or knowledge of the bidder's relevant performance and/or qualifications, and to request additional information from any and all proposers. IHCDCA reserves the right to conduct a review of records, systems, procedures, including credit and criminal background checks, etc. of any entity selected for funding. This may occur prior or subsequent to the award of a contract or agreement. Misrepresentations of the proposer's ability to perform as stated in the proposal may result in cancellation of any contract or agreement awarded.

PART 6 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act ("APRA"), IC 5-14-3 et seq., and after the contract is awarded, the entire file may be viewed and copied by any member of the public. Respondents claiming a statutory exception to APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope marked "Confidential." IHCDCA reserves the right to make determinations of confidentiality or seek the opinion of the Public Access Counselor. Prices are not confidential information.

TERMS AND CONDITIONS

This RFP is issued subject to the following terms and conditions:

- 1.This RFP is not an offer and shall under no circumstances be construed as an offer.
- 2.IHCDA expressly reserves the right to modify or withdraw this RFP or any part of this RFP at any time, whether before or after any proposals have been submitted or received.
- 3.IHCDA reserves the right to reject and not consider any or all of the proposals that do not meet the requirements of this RFP, including but not limited to: incomplete proposals and/or proposals offering alternate or non-requested services.
- 4.IHCDA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interest.
- 5.In the event the respondent selected does not enter into the required contract to carry out the purposes described in this RFP, IHCDA may withdraw the selection and commence negotiations with another party.
- 6.In no event shall any obligations of any kind be enforceable against IHCDA unless and until a written contract is executed.
- 7.Each respondent agrees to bear all costs and expenses of its proposal and there shall be no reimbursement for any costs and expenses relating to the preparation of proposal submitted hereunder or for any costs or expenses incurred during negotiations.
- 8.By submitting a proposal in response to this RFP, each respondent waives all rights to protest or seek any remedies whatsoever regarding any aspect of this RFP, the selection of a respondent or respondents with whom to negotiate, the rejection of any or all offers to negotiate, or a decision to terminate negotiations.
- 9.IHCDA reserves the right not to award a contract pursuant to this RFP.
- 10.IHCDA reserves the right to split the award between multiple respondents and make the award on a category by category basis and/or remove categories from the award.
- 11.All proposals received will become the property of IHCDA and will not be returned to respondents.

Respondent's Name: _____

Title: _____

Address: _____

Phone: _____ Fax: _____

Signature: _____ Date: _____

Proposal Forms

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
2013 INDEPENDENT AUDIT OF ANNUAL AUTHORITY FINANCIAL STATEMENTS, SINGLE
AUDIT OF FEDERAL GRANT AWARDS, AND ANNUAL FINANCIAL STATEMENTS OF
RELATED ENTITIES
PROPOSAL COVER SHEET

Name of firm: _____

Address: _____

Phone number: _____

Fax number: _____

Proposal contact person: _____

Title: _____

Contract signatory authority: _____

Title: _____

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PROPOSAL BUDGET

Having become familiar with all of the attached documents, specifications, terms, and conditions of the proposal , _____ (firm name) hereby proposes to furnish all labor, supervision, equipment, materials, and supplies to perform the specified audits at the following prices:

Indiana Housing and Community Development Authority Financial Statements:

Indiana Housing and Community Development Authority Single Audit Reports/Schedules:

Supplemental Information/Financial Data Schedule and Audit opinion (or SAS 119 Agreed upon Procedure) in compliance with the rules for the Section 8 Housing Choice Voucher program as well as the approval of the electronic submission of the audit through the HUD FASS-PH system

Total: _____

Consent to include report in Official Statements (per bond deal issued) _____

Estimated Management/Staff Hours:

Fieldwork: _____

Report Preparation: _____

Manager/Partner Review: _____

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CERTIFICATION OF BIDDER

I hereby certify that the information contained in this proposal and any attachments is true and correct and may be viewed as an accurate representation of proposed services to be provided by this organization. I certify that no employee, IHEDA member, or agent of IHEDA has assisted in the preparation of this proposal. I acknowledge that I have read and understood the requirements and provisions of the RFP.

I _____ am the _____ of the
(type name of signatory authority) (title)
corporation, partnership, association, or other entity named as bidder and respondent herein, and I am legally authorized to sign this proposal and submit it to the Indiana Housing and Community Development Authority on behalf of said organization.

Signed: _____

Name: _____

Title: _____

Date: _____

Firm name: _____